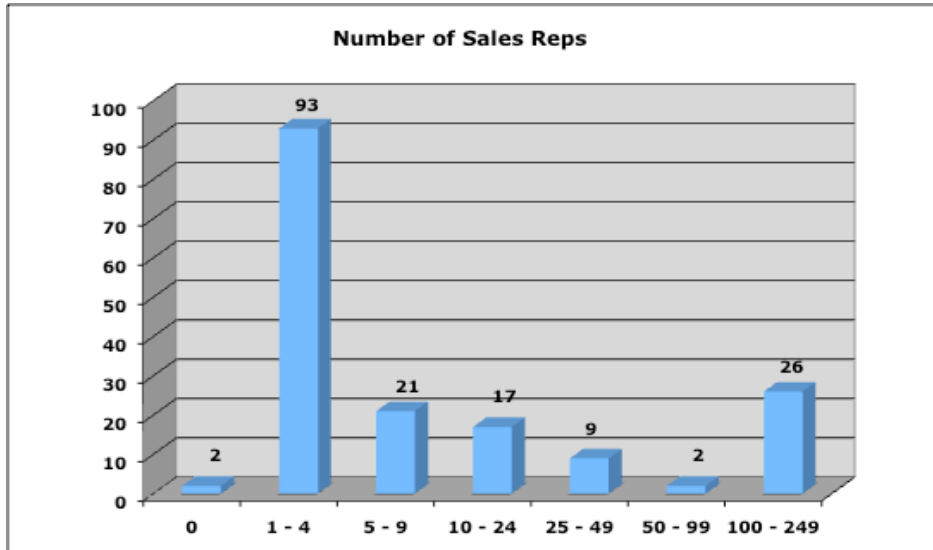




## 2009 Lead Management Optimization Practices Small Business Survey Results

For the past five years, we have reached out to companies and asked them to complete a quick survey on their existing sales lead management practices. Here are the 2009 results from over 170 company responses. Once again, there is trouble in Sales Lead Management land!

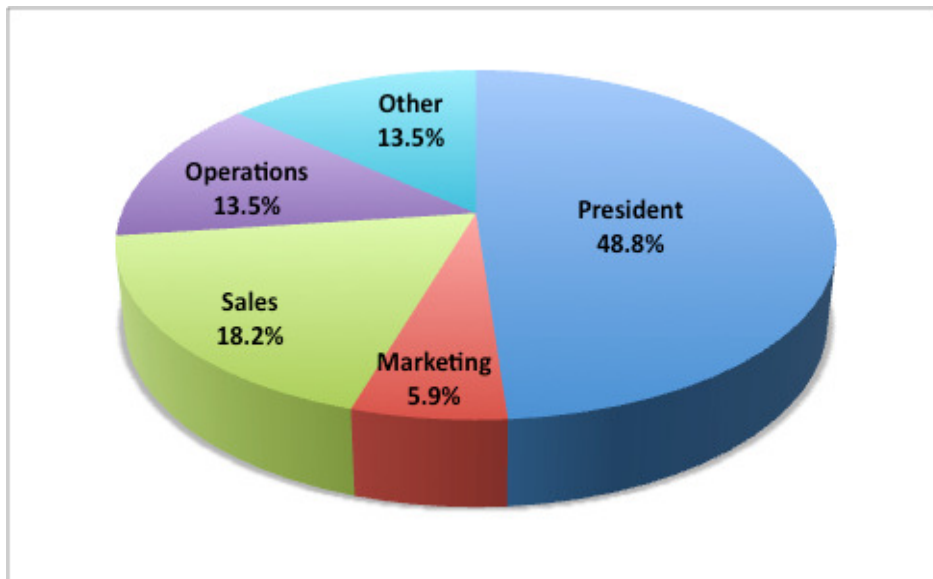
### Survey Respondent Demographics



#### 1. Number of Direct Sales People

Respondents were primarily smaller companies.

55.9% reported employing fewer than 5 sales reps, 22.4% employed between 5 and 24 sales reps and 21.8% had between 25 and 249 sales reps.



#### 2. By Position

Presidents/CEOs made up 48.8% of respondents while sales and marketing executives made up 24.1%. Operations and other functions made up 27.1%.

## Major Findings/Executive Summary

1. 64.9% of the respondents could not track ROI for their marketing programs.
2. 85% of the respondents were not very happy with their current Sales Force Automation (SFA)/ Customer Relationship Management (CRM) environment.
3. 58% of the companies do not qualify their marketing inquiries before they are sent to sales.
4. 44.7% of the companies have no formal process to forecast sales and 24% are still using Microsoft Excel.

These results do not paint a pretty picture of how companies will be positioned to take advantage of the economic recovery.

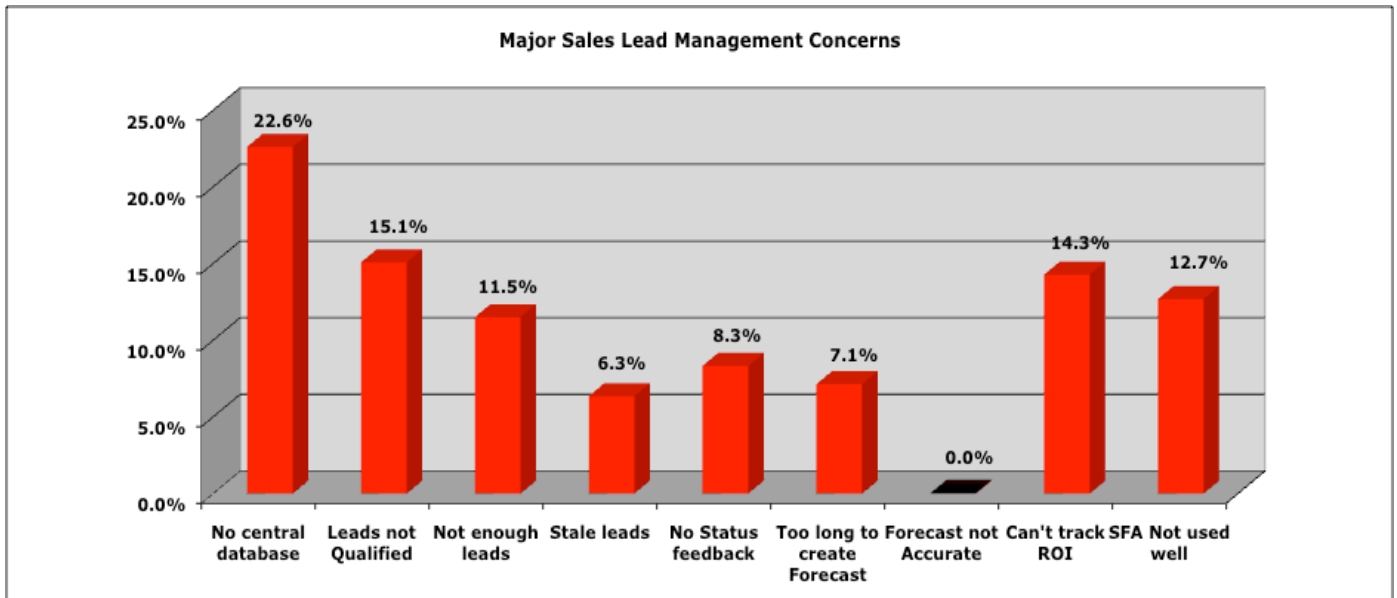
## Survey Results

### Major Concerns

In response to the survey question **“As you evaluate the way in which you manage your sales leads, which of the following is/are your biggest concern(s)?”**

The three biggest concerns were:

1. The companies do not maintain a central prospect/customer database (22.6%)
2. Leads are not qualified before they are sent to the sales organization (15.1%)
3. The inability of companies to track the Return on Investment of their marketing programs (14.3%)



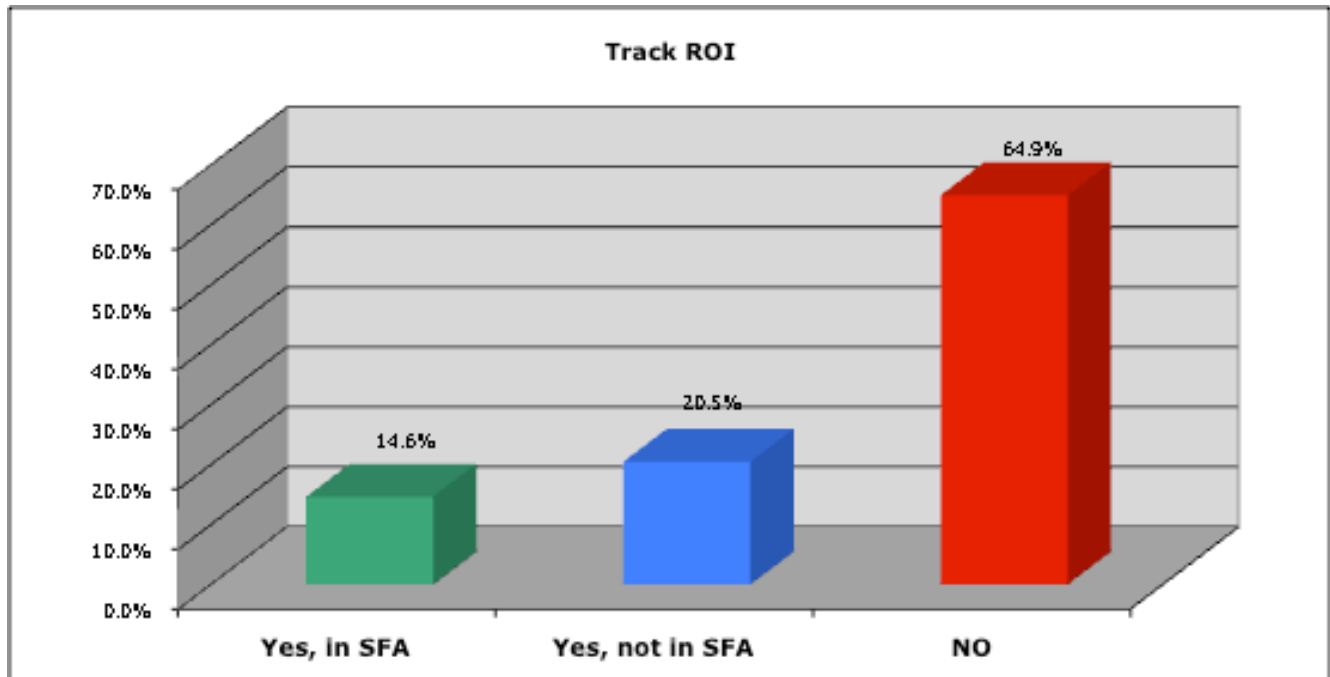
**Figure 1: Major Sales Lead Management Concerns**

“Hope is not a Strategy”

These three issues are definitely related and point directly to both organizational inefficiencies as well as process deficiencies. Without a central prospect/customer database to manage their sales and marketing activities, companies operate in the dark about the success of their programs and cannot keep track of the status of their sales transactions. And as we will see later, a large portion of the respondents do not have a formal process to forecast sales. This approach can accurately be classified as “Catch as Catch Can” and contributes to an inability to manage for optimal results.

Without qualifying leads before they are sent out to sales, companies operate with suboptimal processes and minimize the sales reps desire to provide feedback regarding the status of the leads. These issues all contribute to an inability to manage the sales and marketing function professionally and optimally.

Almost 65% of the responding companies do not track the ROI for each of their marketing companies.



**Figure 2: Does your company track marketing program ROI?**

The oldest cliché in advertising is the Wanamaker one about 50% of the marketing budget being wasted but not knowing which 50%. In a recent blog posting, it was posited that the only rational reasons for not tracking marketing ROI are the following:

- We don't need a higher marketing ROI - we're rich
- We've never thought about it
- We don't know how to check it
- We were told it wasn't possible

Although we didn't get into the reasons, we don't think we're going out on a limb by saying that most of the respondents would have selected the last two reasons.

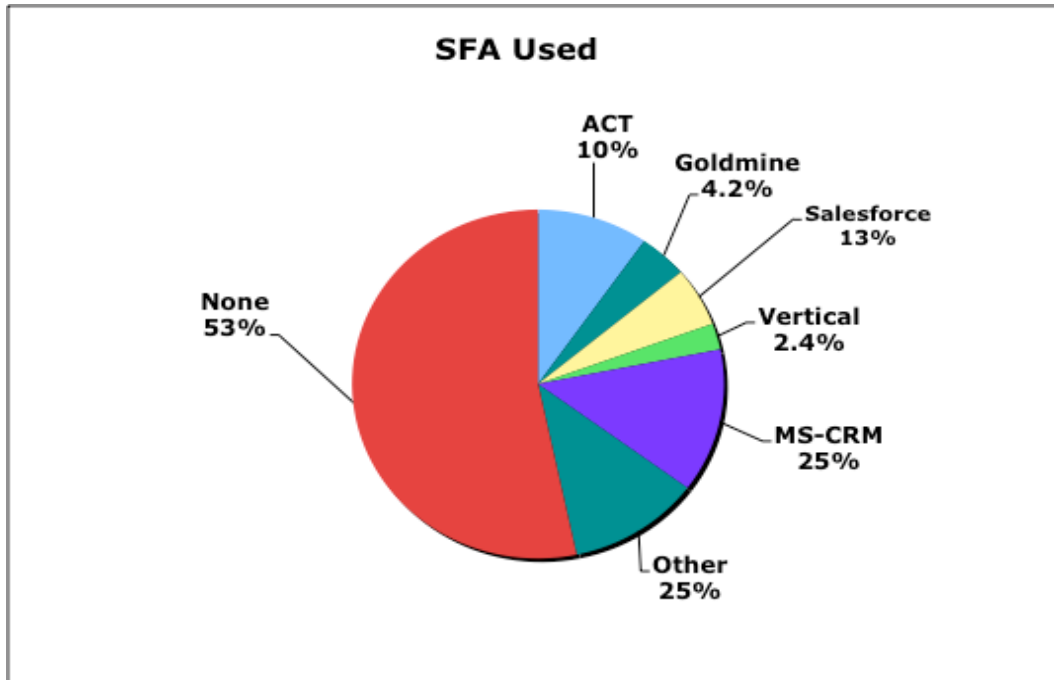
A majority of companies (58% of respondents) still do not qualify their sales leads before they send them to their sales organization.



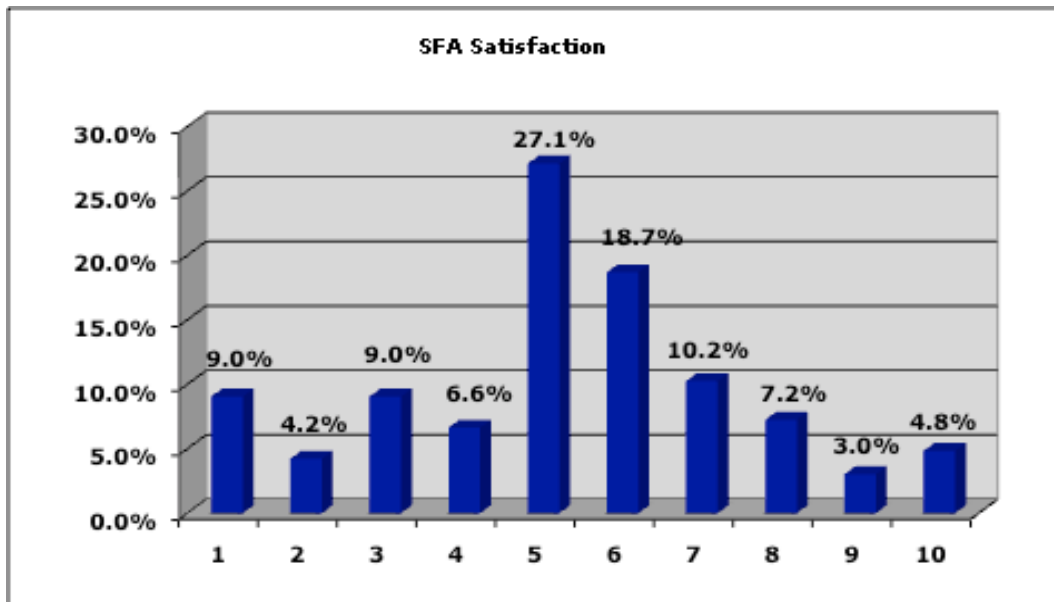
**Figure 3: Does Your Company Qualify Leads for Sales**

The prevailing attitude appears to be that their sales people should qualify their own leads. As we have written previously, it is far more productive to have a separate group qualify sales leads and only send qualified prospects to sales. It doesn't matter which department these inquiry qualifiers are situated, or even if the function is outsourced, what does matter is that sales people need to be kept busy talking to qualified prospects; it is what the company pays them to do. Any administrative task that takes sales people away from selling is potentially condemning the company to lower sales and profits.

Over 50% of the companies still don't use an automated Sales Force Automation (SFA)/Customer Relationship Management (CRM) application.



**Figure 4: Sales Force Automation Software Used**

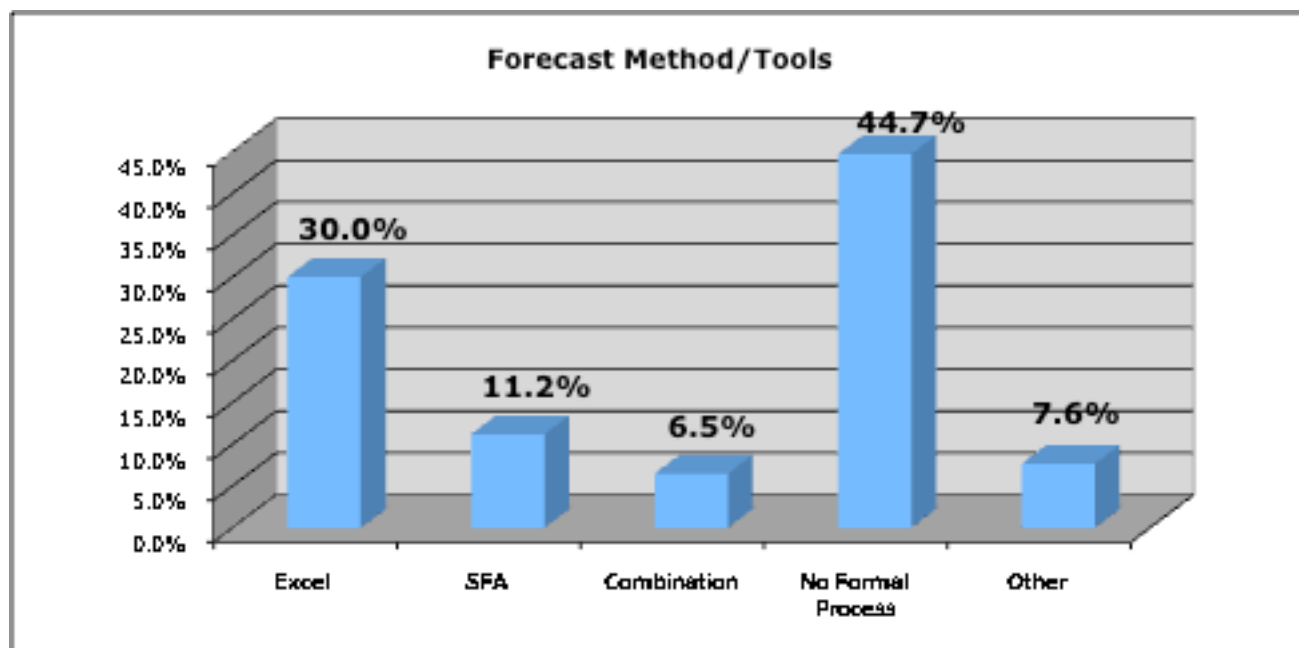


**Figure 5: Sales Force Automation Software Satisfaction**

Companies are not very satisfied with their Sales Force Automation/CRM environment. On a scale of 1 to 10, with 1 being Extremely Dissatisfied and 10 being Extremely Satisfied, 85% rated their satisfaction at 7 or less. Indeed, 55.9% rate their satisfaction as a 5 or less.

While it is not astonishing that the companies with fewer than five sales reps don't use this type of software (71%), it is quite surprising that 28.6% of the larger companies do not use SFA software. Again, we have determined, and industry research supports that companies who do use SFA/CRM are much more productive in their sales organization and finalize a higher percentage of their leads than companies that do not use this software.

Only 11.2% of companies are using a Sales Force Automation program to generate their forecast reports.



**Figure 5: Generating Sales Forecast Reports**

Almost half (44.7%) of the respondents indicated they actually have no formal way to create a sales forecast report. Additionally, 30% are using Excel; this approach makes it almost impossible not only to predict the sales that will close in any given month or quarter, but also to track the ROI for any marketing, as the original lead source is seldom associated with the transactions that actually do result in sales.

## Survey Conclusions

Our sales lead management respondents were typically smaller companies that have a great deal of room for optimization in their sales lead management optimization practices. By investing time and resources in this critical business area, companies will increase sales, allocate marketing resources more efficiently, and will be able to forecast their sales more accurately -- all of which will help them take best advantage of improving economic conditions.

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“HOW QUICKLY YOU OPTIMIZE IS WHAT COUNTS!”